

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Montana State Office

5001 Southgate Drive, P.O. Box 36800

Billings, Montana 59107-6800

In Reply To:
1400-831 (933.CR) P

<http://www.mt.blm.gov/>

July 9, 2003

EMAIL TRANSMISSION - 7/10/03
Information Bulletin No. MT-2003-059

To: All MT/DAKs Employees

From: Deputy State Director, Division of Support Services

Subject: Thrift Savings Plan (TSP) Changes

1. Operations Begin Under New Thrift Savings Plan Record Keeping System

The new system simply means that the next time you want to request loans, or initiate interfund transfers or withdrawals, you will have additional options and use new forms or web-based application processes. Requests will be processed each business day rather than once each month as has occurred in the past.

Additional details about the new system benefits were mailed to every TSP participant in June along with a close-out statement from the old system. You may also access the TSP web site at www.tsp.gov for further information.

A chart, "How the TSP is Changing", is available at:
<http://www.tsp.gov/forms/tsplf11.html>

2. Catch-Up Contributions for Participants Age 50 or Older

If you are age 50 or older, and you are already contributing the maximum amount of regular TSP contributions for which you are eligible, you may now elect to make up to \$2,000 in "catch-up" contributions for 2003. Catch-up contributions are supplemental tax-deferred employee contributions, which are in addition to regular contributions. There are no agency matching contributions on catch-up contributions. Catch-up contributions can be made only through payroll deductions.

Contributions for July elections will be effective August 10, 2003. After that, participants will be able to elect catch-up contributions at any time. You should use Form TSP-1-C, Catch-Up Contribution Election, which you can request from MT-933 or print from www.tsp.gov. You can also make elections through Employee Express starting July 28, 2003. The election will only be valid through the end of the calendar year in which it is made. This means that you will have to submit a new Form TSP-1-C for each year. Your contributions will continue until the end of the calendar year unless you reach the annual catch-up contribution limit before that time, or you elect to stop making catch-up contributions.

To be eligible to make catch-up contributions, a participant must be:

- age 50 or older during the calendar year in which the catch-up contributions are made (even if the participant becomes age 50 on December 31 of that year),
- currently employed and in pay status,
- contributing either the maximum TSP contribution percentage allowed by your retirement coverage or contributing an amount that will cause you to reach the Internal Revenue Service (IRS) elective deferral limit by the end of that year.

If you are eligible, you can contribute up to the annual maximum dollar amount allowed by the IRS. Catch-up contributions have an annual IRS elective deferral limit. The combination of regular and catch-up contributions cannot exceed the total IRS contribution limit for the year. For example, for 2003, your contributions cannot exceed \$14,000 (i.e., the \$12,000 elective deferral limit on regular TSP contributions, plus the \$2,000 catch-up contributions limit). See the chart below for the limit on regular tax-deferred and catch-up contributions.

Year	TSP Limit		IRS Limits		
	FERS	CSRS	Regular Contributions	Catch-up Contributions	Total Contributions
2003	13%	8%	\$12,000	\$2,000	\$14,000
2004	14%	9%	\$13,000	\$3,000	\$16,000
2005	15%	10%	\$14,000	\$4,000	\$18,000
2006 and thereafter	Limits eliminated		\$15,000	\$5,000	\$20,000

If you have additional questions about the TSP, contact Verlaine Van Atta or Connie Raynock, Human Resources Assistants, at 406-896-5233/5299.

Signed by: Diane M. Friez, Acting

Authenticated by: Donna K. Zentz, MT-933